

PENALTY RIDER

BOND NO. 6269811

To be attached and form a part of Bond No. 6269811 dated the 11th day of May, 2004, executed by Safeco Insurance Company of America as surety, on behalf of BlueStar Energy Services, Inc. as principal, and in favor of The People of the State of Illinois, obligee, and in the amount of One Hundred Fifty Thousand Dollars and 00/100 (\$150,000.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that

Safeco Insurance Company of America hereby consents that effective from the 11th day of May, 2005, said bond shall be amended as follows:

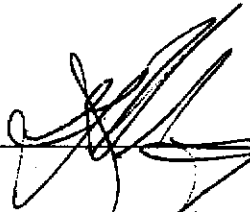
BOND PENALTY SHALL BE Increased:

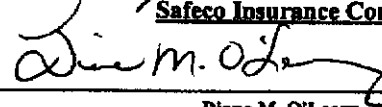
FROM: One Hundred Fifty Thousand Dollars and 00/100 (\$150,000.00)

TO: Three Hundred Thousand Dollars and 00/100 (\$300,000.00)

Increase of said bond penalty shall be effective as of the 11th day of May, 2005, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

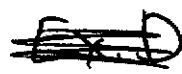
Signed, sealed and dated this 20th day of May, 2005.

BY:  BlueStar Energy Services, Inc.
PRINCIPAL

BY:  Safeco Insurance Company of America
SURETY

Diane M. O'Leary, ATTORNEY-IN-FACT

Exhibit B





SAFECO

**POWER
OF ATTORNEY**

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98188

No. 13024

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

*******WILLIAM REIDINGER; STEVEN B. CADE; DONNA WRIGHT; DIANE M. O'LEARY; JEFFREY M. LEADLEY; BRIAN PASSOLT; Chicago, Illinois*******

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 31st day of July, 2003

CB Mead

CHRISTINE MEAD, SECRETARY

Mike McGavick

MIKE MCGAVICK, PRESIDENT

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA:**

"Article V, Section 13. - **FIDELITY AND SURETY BONDS** ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Christine Mead, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 20th day of May, 2005



CB Mead

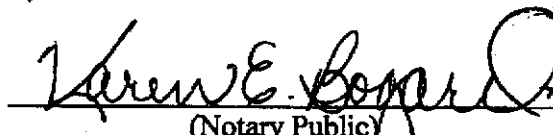
CHRISTINE MEAD, SECRETARY

STATE OF: Illinois
COUNTY OF: Cook

On this 20th of May, 2005, before me personally appeared Diane M. O'Leary known to me to be the Attorney-in-Fact of Safeco Insurance Company of America, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid county, the day and year in this certificate first written above.




(Notary Public)
Karen E. Bogard

Revised January 3, 2003

**License or Permit Bond
License or Permit Bond No. 6269611
Safeco Insurance Company of America
10 S. Riverside Plaza, Suite 330
Chicago, IL 60606**

KNOW ALL MEN BY THESE PRESENTS, That we, **BlueStar Energy Services, Inc.** as Principal, and **Safeco Insurance Company of America** a Washington Corporation, and authorized to do business in Illinois, as Surety, are held and firmly bound unto THE PEOPLE OF THE STATE OF ILLINOIS as Oblige, in the sum of One Hundred Fifty Thousand and NO/100 Dollars (\$150,000.00), for which sum, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH, That WHEREAS, the Principal has been or is about to be granted a license or permit to do business to operate as an ARES (Alternative Retail Electric Supplier) under 220 ILCS 5/16-115 and is required to execute this bond under 83 Illinois Administrative Code Part 451.50 by the Oblige.

NOW, Therefore, If the Principal fully and faithfully perform all duties and obligations of the Principal as an ARES, then this obligation to be void; otherwise to remain in full force and effect.

This bond may be terminated as to future acts of the Principal upon thirty (30) days written notice by the Surety; said notice to be sent to 527 East Capitol Avenue, Springfield, Illinois 62701, of the aforesaid State of Illinois, by certified mail.

Dated this day of May 11, 2004

BlueStar Energy Services, Inc. Principal

by: *Aaron Rasty*
Aaron Rasty, President & COO

Safeco Insurance Company of America Surety

by: *Steven B. Cade*
Steven B. Cade, Attorney-in-Fact

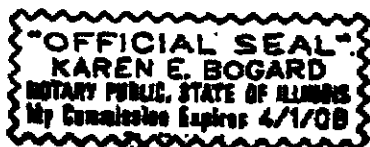
Ex.D



STATE OF ILLINOIS
COUNTY OF COOK

On this 11th day of May, 20 04, before me personally appeared
Steven B. Cade, known to me to be the Attorney-in-Fact
of Safeco Insurance Company of America, the corporation that executed
the within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office
in the aforesaid county, the day and year in this certificate first written above.



Karen E. Bogard
(Notary Public)



SAFECO

**POWER
OF ATTORNEY**

**GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98108**

No. 13624

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

*******WILLIAM REIDINGER; STEVEN B. CAWIE; DUNNIA WRIGHT; DEANE M. O'LEARY; JEFFREY M. LEADELY; BRIAN PASSOLT; Chicago, Illinois*******

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 31st day of July, 2004

CB Mead

CHRISTINE MEAD, SECRETARY

Mike McGavick

MIKE MCGAVICK, PRESIDENT

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - **FIDELITY AND SURETY BONDS** ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signature may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Christine Mead, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 11th day of May, 2004



CB Mead

CHRISTINE MEAD, SECRETARY

3-007425-121

© A registered trademark of SAFECO Corporation
000718003 PDF

**IMPORTANT NOTICE TO SURETY BOND CUSTOMERS REGARDING
THE TERRORISM RISK INSURANCE ACT OF 2002**

As a surety bond customer of one of the SAFECO Insurance companies (SAFECO Insurance Company of America, General Insurance Company of America, First National Insurance Company of America, American States Insurance Company or American Economy Insurance Company), it is our duty to notify you that the Terrorism Risk Insurance Act of 2002 extends to "surety insurance". This means that under certain circumstances we may be eligible for reimbursement of certain surety bond losses by the United States government under a formula established by this Act.

Under this formula, the United States government pays 90% of losses caused by certified acts of terrorism that exceed a statutorily established deductible to be paid by the insurance company providing the bond. The Act also establishes a \$100 billion cap for the total of all losses to be paid by all insurers for certified acts of terrorism. Losses on some or all of your bonds may be subject to this cap.

This notice does not modify any of the existing terms and conditions of this bond, the underlying agreement guaranteed by this bond, any statutes governing the terms of this bond or any generally applicable rules of law.

At this time there is no premium change resulting from this Act.

10/24/03

P.5

8664222515

ENERGY SERVICES

JUL 01 04 03:19P